

RD AN No. 3568 (2009-B)
September 19, 2000

TO: All State Directors
Rural Development

ATTN: Program Managers for Community Programs, Water and Environmental
Programs, and Business Programs

FROM: James C. Kearney
Administrator
Rural Housing Service

Christopher McLean
Administrator
Rural Utilities Service

Wilbur T. Peer
Acting Administrator
Rural Business-Cooperative Service

SUBJECT: Certification of Unliquidated Obligations

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides instructions to State Offices for the review and annotation of Report Code (RC) 743, "Report of Prior Year Unliquidated Obligations," before submission of the report to the Finance Office and National Office. This review is necessary to meet regulatory requirements for certifying that obligations are accurate and valid.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN No. 3472 (2009-B), dated June 23, 1999.

EXPIRATION DATE:
September 30, 2001

FILING INSTRUCTIONS:
Preceding RD Instruction 2009-B

IMPLEMENTATION RESPONSIBILITIES:

State Offices are required to report annually to the Finance Office on the status of unliquidated obligations. State Offices are also required to simultaneously submit copies of the unliquidated obligation report to the National Office. Comments are to be provided as required in paragraph 2(c) below.

Because of the continuing emphasis on prompt utilization of funds, please ensure that the review of the report is completed as follows:

1. State Offices should establish procedures for reviewing all obligations shown on the Report of Prior Year Unliquidated Obligations.
2. The status of obligations shown on the report will be annotated in the left margin, based on the following categories, using the codes provided:
 - a. Cancellations: Cancellation of obligations should be accomplished through the field office terminal system. Identify by placing an “X” in the left margin. Show amount and date of cancellation; mark only those cancellations processed prior to the requested return date of the report. Form RD 1940-10, “Cancellation of U.S. Treasury Check and/or Obligation,” should not be returned to the Finance Office with the completed report. Please note these obligations are unliquidated in the accounting system or they would not be shown on the report. If the obligations are no longer required, process the cancellation through the terminal. All funds that are not spent should be canceled when projects are complete.
 - b. Checks: If a check was issued, show the date and amount of the check.
 - c. Valid Obligations: Please establish timeframes as follows: “1” for funds expected to be requested within 12 months and “2” for funds expected to require over 12 months before request. Provide comments for those obligations where funds are required over 24 months.
3. Enter the following statement on the first page of the report, signed/dated by the State Director and submitted to the Finance Office: “I certify that RC 743, dated July 31, 2000, has been reviewed and all obligations not shown as canceled are valid and should be retained.” This statement is required on RC 743.
4. Each State Office must establish controls to ensure all pages of the report are properly completed in accordance with the above procedures. Submit each copy of the

report as one transmittal. Partial or incomplete submissions will be returned for correction and resubmission. Mail the reports to ensure they reach the National Office and the Finance Office on or before the deadline established in the transmittal memorandum from the Finance Office.

If you have any questions concerning unliquidated obligations, please contact:

Community Programs (RHS)	Sharon Douglas	(202) 720-1506
Water and Environmental Programs (RUS)	Ray McCracken	(202) 720-9633
Business Programs (RBS)	Sylvia Neal	(202) 720-2811